

**NEWS FROM**  
**The Student Loan People**  
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**FOR IMMEDIATE RELEASE**

**Good news for federal student loan borrowers**

**FRANKFORT, Ky. (March 14, 2006)** — Under recently passed federal legislation, guaranty agencies that insure Federal Stafford, PLUS and Consolidation Loans will be required to collect a 1 percent guaranty fee from their borrowers beginning in July 2006. The good news is The Student Loan People<sup>SM</sup> will pay the fee on behalf of its borrowers, no matter which guarantor is used.

This same legislation, the federal budget deficit act, also raises the amount students may borrow in Federal Stafford Loans during the first two years of college and expands eligibility for Federal PLUS Loans to graduate and professional students. With an expected 15 percent increase in tuition at Kentucky's public colleges and universities, larger loan amounts available through these programs will allow borrowers to take advantage of the lower rates of federal loans instead of higher costs associated with private loans.

Students will find no lower rates or better benefits than those offered by The Student Loan People, Kentucky's only nonprofit student loan provider. Among the benefits are zero fees on all Stafford Loans, plus special discounts for borrowers repaying their loans. The Student Loan People are known for interest forgiveness and loan forgiveness for borrowers in the critical shortage jobs of teachers, nurses and public service attorneys.

Working with the Kentucky Higher Education Assistance Authority (KHEAA), which has voluntarily waived the insurance fee since 1996, The Student Loan People have saved students over \$93 million, while contributing tens of millions more for state student financial aid awards and free college planning and financial aid information, including the one-stop Web site for higher education information: GoHigherKY.org.

For more information about student loans, call (888) 678-4625 or write The Student Loan People, P.O. Box 24328, Louisville, KY 40224-0328. For more information about Kentucky scholarships and grants, call (800) 928-8926, extension 7381, or write KHEAA, P.O. Box 798, Frankfort, KY 40602-0798. To learn more about how to plan and prepare for higher education, visit [www.GoHigherKY.org](http://www.GoHigherKY.org).